

# Tier 1 Safety Net Hospitals

## What does this appropriation support?

It provides payments for Medicaid clients and the uninsured through tier 1 safety net hospitals. Safety net hospitals traditionally see a high volume of Medicaid/uninsured patients. This program was established to provide a funding mechanism to enhance payments to these hospitals.

## What is its statutory authority?

State statutes: RSMo. 208.152, 208.153;  
Federal law: Social Security Act Sections 1905(a)(1) and (2), 1923(a)-(f); Federal regulations: 42 CFR 440.10 and 440.20

Is this a federally mandated program? No.

## Are there federal matching requirements?

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY-2007 is a blended 61.68% federal match. The state matching requirement is 38.32%. For those public entities identified above who use state and local general revenue to provide eligible services to Medicaid eligible individuals, DMS provides payment of the federal share for these eligible services.

## What are the expenditures?

|              | FY 2003<br>Actual | FY 2004<br>Actual  | FY 2005<br>Actual  | FY 2006<br>Planned |
|--------------|-------------------|--------------------|--------------------|--------------------|
| GR           | \$0               | \$0                | \$0                | \$0                |
| FEDERAL      | \$0               | \$2,988,890        | \$5,337,913        | \$8,000,000        |
| OTHER        | \$0               | \$0                | \$0                | \$0                |
| <b>TOTAL</b> | <b>\$0</b>        | <b>\$2,988,890</b> | <b>\$5,337,913</b> | <b>\$8,000,000</b> |

## What are the sources of other funds?

Not applicable.

## Efficiency and Effectiveness Measures:

